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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
08/697,421	08/23/1996	MICHAEL MOVALLI	06555.0001-0	9836

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EXAMINER

KIM, AHSHIK

ART UNIT

PAPER NUMBER

2876

DATE MAILED: 05/07/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

08/697,421

Applicant(s)

MOVALLI ET AL.

Examiner

Ahshik Kim

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☐ Responsive to communication(s) filed on \_\_\_\_.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1,3-7,9-27 and 29-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,3-7,9-27 and 29-31 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

## **DETAILED ACTION**

### ***Decision on Appeal***

1. Board of Appeals and Interferences rendered their decision on appeal (paper #28), which  
5 was mailed out on August 30, 2002. In the decision with regard to the rejection of claims 1-23,  
25-27, and 29-31, the Board agrees with Appellant's position that the Examiner has failed to set  
forth a prima facie case of obviousness and remanded the application to the Examiner.

### ***Withdrawal of finality***

- 10 2. Pursuant to the decision of the Board, the finality of the rejection made in Office Action  
(paper #13) is withdrawn.

### ***Status of Claims***

3. Two amendments were filed after the final Office Action (paper #13). First amendment  
15 (paper #15) after final was not entered, and second amendment after final (paper #22),  
substituting "memory" to "storage" has been entered. In preparing this Office Action, the  
amendment after final (paper #15) is entered and considered. If the Applicant wishes not to enter  
the amendment, Applicant is respectfully suggested to inform the Examiner accordingly.  
Currently, therefore, claims 1, 3-7, 9-27, and 29-31 remain in the examination.

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***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

5 (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10 This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later  
15 invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

4. Claims 1, 3-7, 9-27, and 29-31 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dagger (US 5,748,737) in view of Aucsmith et al. (US 5,712,914).

Re claims 1, 3, 7, and 24, Dagger teaches a computer-implemented method of generating  
20 secure endorsed transaction (col. 7, lines 34+) wherein the transaction is comprised of a transaction identifier (i.e., unique code), which further includes a unique payer identifier and transaction data (col. 20, lines 20+). Parts or all of transaction record created can be encrypted (col. 19, lines 4+), which would be a single whole representation of a secure endorsed transaction. The card and card reader can be used with various attachment devices including a  
25 modem (col. 18, lines 30+) for transmitting transaction record.

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Although a unique payer identification disclosed in Dagger is capable of identifying who the payer is, and it does not necessarily provide authentic proof of a person. In the context provided in the amendment, the Examiner interprets “human identifier” as something more than an arbitrary number, although unique to that individual, to prove who he/she claims he/she is.

5 Aucsmith teaches a method and apparatus of initiating a transaction at point-of-sales terminal (col. 3, lines 6+) wherein the transaction data includes biometric information of the user (col. 2, lines 13+; see figures 4, 7). The system further comprised of a biometric input device (col. 4, lines 7+), inputting information such as fingerprints or retina scan.

In view of Aucsmith’s teaching, it would have been obvious to an ordinary skill in the art  
10 at the time the invention was made to include more authentic identifying information such as fingerprints or retina-scan in place of an arbitrary identification number taught by Dagger in order to further avoid fraudulent use by unauthorized person(s). Identification number such as Social Security Number, credit card number, or driver’s license number can be stolen, and be used in identify theft causing the victims considerable financial and other loss. By using more  
15 authentic information as data field of a transaction record, such loss can be prevented.

Moreover, improvement such as replacing arbitrary identification number with biometric information would have been obvious to one ordinary skill in the art, and therefore an obvious expedient.

Re claim 4, 20-23, 25-27, and 29-31, the smart card reader/writer allows data be read or  
20 written to (col. 12, lines 8+).

Re claims 5, 6, 9, and 10, the POS (point-of-sales) machine is connected to secure networks such as Credit, ATM or ACH (col. 20, lines 43+), which further includes telecommunication network.

Re claims 11-14 and 19, the transaction data can further be encrypted and decrypted using public key cryptography, creating a digital signature of the transaction record. Dagger further discloses additional tamper-proof measures ranging from hologram and use of hash-code (col. 2, lines 1+).

Re claims 15-18, although Dagger does not provide as much detail in decrypting or payment receiving process as shown in creating transaction record, it would be inherent that the payee (col. 19, 51+) would be able to essentially “undo” what has been applied to the transaction record, and receive the payment for product or service provided.

### ***Conclusion***

I. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure: Stock et al. (US 6,011,858); Eisele (US 4,849,613); Pitroda (US 5,590,038) disclose smart card and transactions utilizing smart cards.

II. Any inquiry concerning this communication or earlier communications from the examiner should be directed to *Ahshik Kim* whose telephone number is (703)305-5203 . The examiner can normally be reached between the hours of 6:00AM to 3:00PM Monday thru Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee, can be reached on (703) 305-3503. The fax number directly to the Examiner is (703) 746-4782. The fax phone number for this Group is (703)308-7722, (703)308-7724, or (703)308-7382.

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to [ahshik.kim@uspto.gov].

*All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly*

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*signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1195 OG 89.*

Any inquiry of a general nature or relating to the status of this application or proceeding  
5 should be directed to the Group receptionist whose telephone number is (703) 308-0956.



Ahshik Kim  
Patent Examiner  
Art Unit 2876  
April 30, 2003

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MICHAEL G. LEE  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2800